Information Technology in Tourism Industry

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Abstract—*Information Technology (IT) has changed the functioning of business all over the world. Its impact has been felt mostly in the information dependent industries. Tourism is one such industry. This study examines the importance of Information Technology in the field of Tourism and Hospitality. This study has found differences in usage of IT and attitudes towards its dependence upon size of tourism organizations. In the case of smaller companies, the low cost access to Internet and on-line systems was viewed as an expensive investment. Tour operators, travel agents and direct tourism suppliers can increasingly use information technologies to communicate destination images to prospective consumers. The advent of Computerized Reservation Systems (CRS) means that travel products can be marketed directly to the potential consumer. This paper also investigates about different applications of information technology like Virtual Reality (VR) simulations, e-payments, CRS that can be used to develop tourism market. Although VR technology is rather primitive at present, it is argued that through its ability for interactivity, consumers will be able to experience a destination without leaving their origin destination*

Keywords: *Industries, Tourism, Hospitality, Virtual Reality, Interactivity, Consumers, Destination.*

1. INTRODUCTION

The last decade in the global arena has witness a tremendous growth in the area of information technology. Rapid advances in the technologies for communication media like television, computer, internet, printing and publishing has enabled us to get prompt access to required information. Information technology (IT) has become one of the most robust industries in the world. It, more than any other industry or economic facet, has increased productivity, particularly in the developed world, and therefore is a key driver of global economic growth. The IT sector has emerged as a major global source of both growth and employment. IT Industry in the country has played a major role in placing India on the international map. The Indian IT Industry mainly comprises of instance System Integration, Software experiments, Custom Application Development and Maintenance (CADM), network services and IT Solutions. According to the analysis done by the annual report 2009-10, prepared by the Department of Information Technology (DIT), the IT-BPO industry was expected to achieve a revenue aggregate of US$ 73.1 billion in 2009-10 as compared to US$ 69.4 billion in 2008-09, growing at a rate of over 5 %. The report even predicts that

1.1 OBJECTIVES

1. To analyse the relationship between Information Technology and Indian Economy 2. To examine the India's IT industry. 3. To analyse the Promotion of IT - governmental incentives of India. This paper makes an attempt to A multi-pronged approach has been adopted for the study on IT industry of India.

2. CASE STUDY

The IT industry has built very valuable brand equity for itself in the global markets. The Indian IT Industry comprises of software industry and information technology enabled services (ITES), which even includes business process outsourcing (BPO) industry. Indian IT Industry is considered as a pioneer in software development and a favourite destination for IT-enabled services. In the year 1974, the origin of IT industry in India can be traced, when the mainframe manufacturer, Burroughs asked its India sales agent, Tata Consultancy Services (TCS) to export programmers for installing system software for a U.S. client. The Indian IT industry originated under very unfavourable conditions. During olden times local markets were absent and government policy toward private enterprise was hostile. The Indian IT Industry was begun by Bombay-based conglomerates that entered the business by supplying programmers to global IT firms located overseas. During 1970's the Indian economy was state-controlled and remained hostile to the software industry. Even the Import tariffs were high like 135% on hardware and 100% on software. Even the exporters were ineligible for bank finance. In 1984 Rajiv Gandhi became Prime Minister and the Government policy towards IT sector changed. The New Computer Policy (NCP-1984) consisted of a package of reduced import tariffs on hardware and software which reduced to 60%. Even during this time the recognition of software exports as a "deli censed industry", was done so that banks were eligible for finance and freed from license-permit raj, there was even the permission for foreign firms to set up wholly-owned subsidiaries. All such policies are reasons for the development of a world-class Indian IT industry. Today, IT companies in India such as Tata Consultancy Services (TCS), Wipro, Infosys, HCL are well known in the global market for their IT competency. Indian IT Industry's

development and contribution to the world's information technology sector is of highest reputation. Metro Cities like Bangalore, Mumbai, Delhi, Chennai and Hyderabad have become the favorite destinations for all the big banners like HSBC, Dell, Microsoft, GE, Hewlett Packard, and several Indian multinational firms like Infosys Technologies, Wipro, and Micro land have set up their offices in these cities. As the cities offers good infrastructure, with large floor space and great telecom facilities. This could be reason for the basis of the high growth statistics of India and the changing outlook of the companies towards India. The Indian IT Industry has grown up to US $ 5.7 billion in 1999-

3. IT INDUSTRY IN INDIA

India's much-vaunted Information Technology (IT) sector is composed of two parts: the software sector, and the IT-enabled sector (ITES). In both cases, work that was earlier done in the developed world, particularly the US, has been 'outsourced', or contracted out, to locations in India. In the case of the ITES, the activities outsourced include call centres, medical transcription, data entry, ticket-reconciliation, claims processing, credit card administration, and such other routine office work as can be performed at remote locations. While this work requires knowledge of English, it does not require superior education or skills. In IT, India has built up valuable brand equity over the years. In IT enabled services (ITES), India is emerging as one of the most preferred destinations for business process outsourcing (BPO). The importance of IT industry in the Indian economy can be gauged from the fact that its contribution to the national gross domestic product (GDP) has increased by seven fold in a span of just one decade from 0.6% in 1994-95 to 4.3% in 2004-05 (Table 1 on page 5). Although industry figures are not directly comparable with GDP as they are based on revenues rather than value added, they provide an indicator of growing importance of the IT sector in the country. Assuming that the Indian economy and IT sector will replicate the past six years performance during the next six years and value added in IT sector is two third of its sales revenue, the contribution of IT sector to national GDP will be around 8.5% during the year 2010-11, quite similar to that in the United States (US) today. The IT sector revenue is expected to increase from Rs. 1276 billion in 2004-05 to Rs. 6435 billion in 2010-11. The Indian IT industry is broadly categorized into IT services and software, ITES-BPO, and Abhinav International Monthly Refereed Journal of Research In Management & Technology 58 ISSN – 2320-0073 Volume II, August'13 www.abhinavjournal.com

Hardware segments. Although IT services and software continues to remain the key contributor to the IT sector's revenues, ITES- BPO is emerging as the fastest growing segment of the sector. Between the year 2000-01 and 2004-05, contribution of ITES-BPO to the IT sector's total revenue increased from 7.4% to 20.2% whereas the corresponding figure for IT services and software fell from 64.5% to 58.5%. Presently, ITES-BPO segment of the industry is almost as big as the hardware segment.

4. CONCLUSION

The main emphasis of this paper has been to stress that IT has some special characteristics, both in theory and practice, which make it a promising engine of broad based growth in India. Special subsidies or export incentives are likely to be inefficient ways of stimulating the growth of the IT sector, or of positive spillovers for the rest of the tourism. Similarly, special central government initiatives to increase the availability of IT training and related education are also likely to represent a mistargeting of scarce government resources. The same stricture applies, to some extent, to State government policies to encourage the IT sector. State governments also may be better off removing general restrictions to doing business, as well as providing an enabling institutional infrastructure (appropriate laws and regulations), rather than attempting to target the IT sector through a form of industrial policy.

5. REFERENCES

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